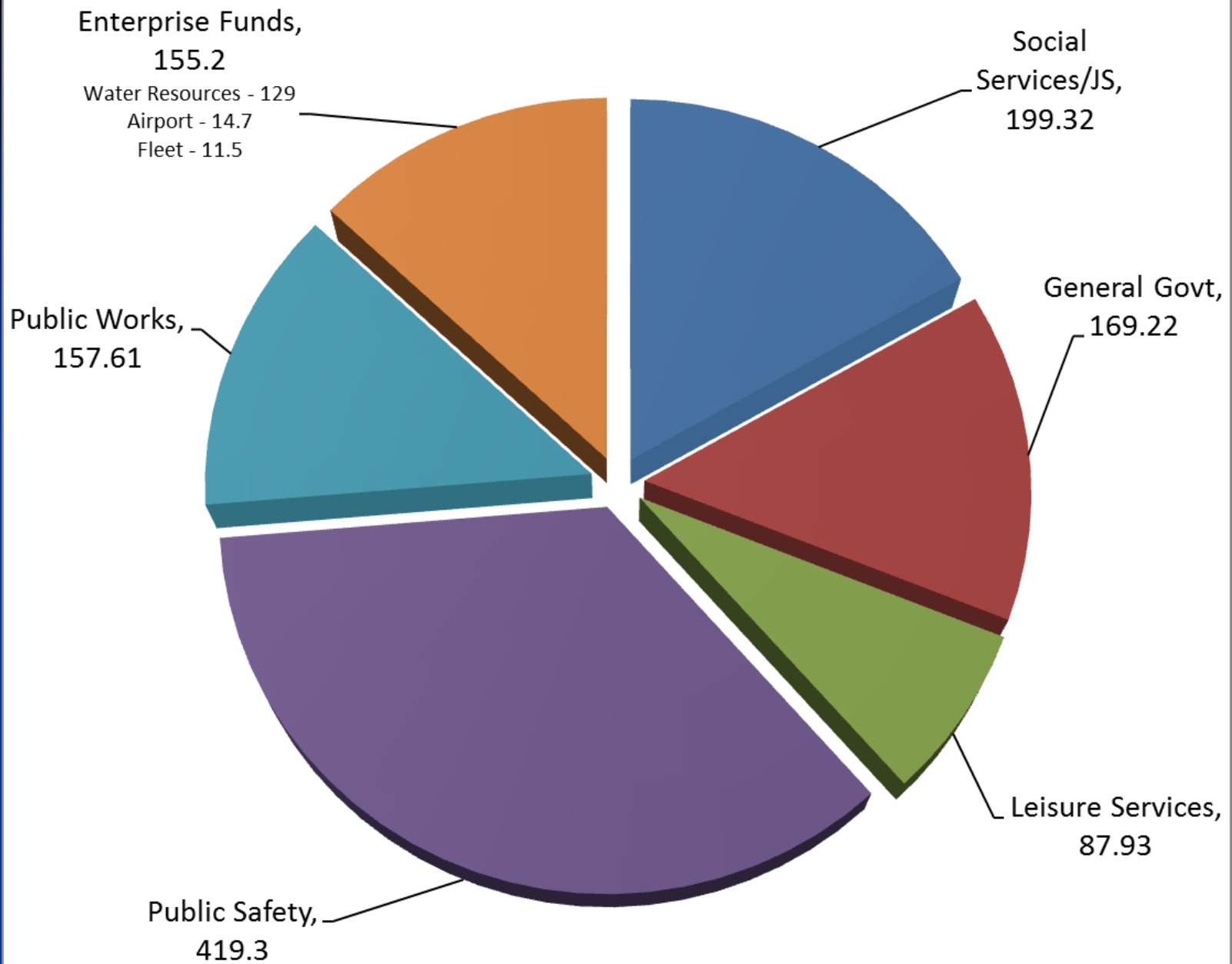


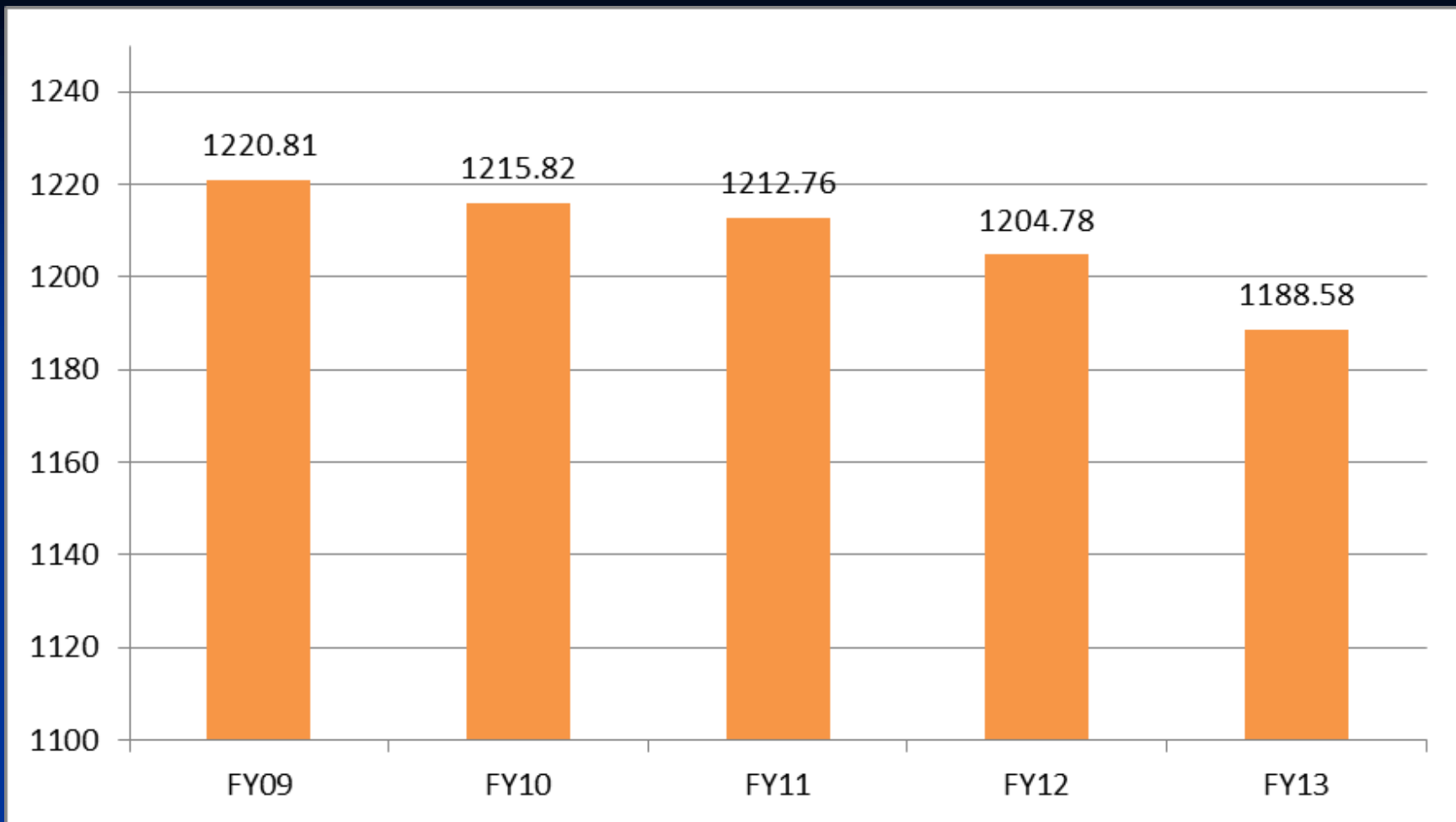
City of Lynchburg Workforce Overview

Calendar Year 2012

January 22, 2013



Total of 1188.58 Budgeted FTE



5 Year FTE Trend



Citywide Turnover

CY 2012

- Turnover rates increased slightly
 - 5.42% Voluntary
 - Voluntary Resignations
 - 10.40% Total
 - All Reasons: Resignation, Resignation in lieu of Dismissal, Release during Initial Employment Period, Dismissal, Retirement, Death



City-Wide Turnover Trend

Calendar Year Turnover

Year	Voluntary (Resignations)	Total (All Reasons)
2012	5.42%	10.40%
2011	4.98%	9.44%
2010	5.10%	11.56%
2009	3.00%	8.00%
2008	5.37%	9.78%



Large Department Turnover Trend

Sworn Police

	Voluntary	Total
2012	4.73%	9.47%
2011	6.32%	12.07%
2010	9.47%	12.43%
2009	4.17%	6.55%
2008	3.53%	7.65%

Fire/EMS

	Voluntary	Total
2012	2.27%	10.8%
2011	1.13%	4.52%
2010	2.29%	6.29%
2009	1.69%	6.74%
2008	1.12%	6.74%



Large Department Turnover Trend

Emergency Services

	Voluntary	Total
2012	8.11%	10.81%
2011	5.41%	10.81%
2010	0	8.11%
2009	11.76%	17.95%

Social Services

	Voluntary	Total
2012	5.88%	11.76%
2011	9.92%	14.05%
2010	4.88%	14.63%
2009	9.84%	13.93%



Large Department Turnover Trend

Public Works

	Voluntary	Total
2012	5.33%	9.33%
2011	5.13%	12.18%
2010	3.64%	13.33%
2009	3.91%	10.16%

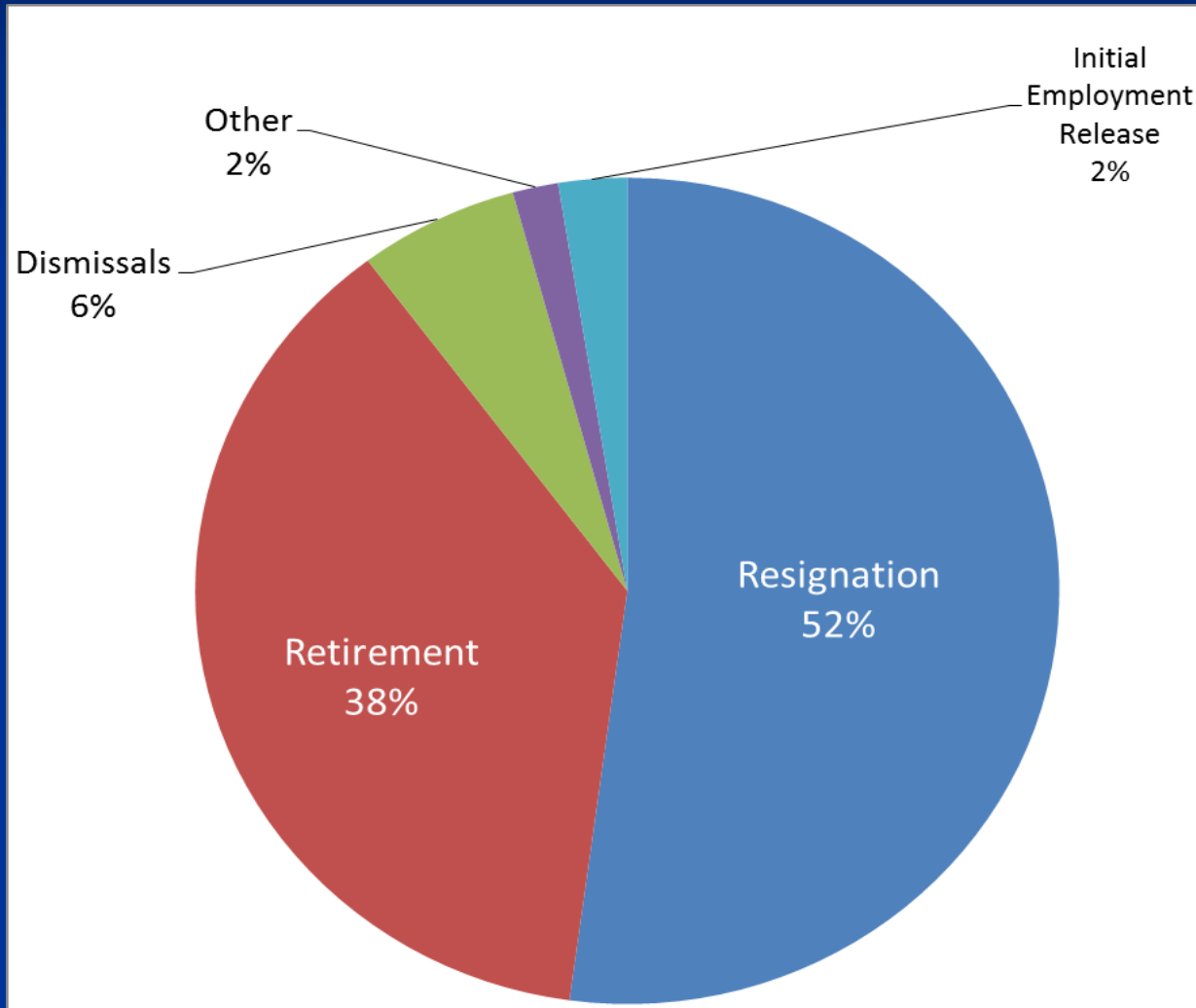
Water Resources

	Voluntary	Total
2012	7.09%	10.24%
2011	7.44%	11.57%
2010	5%	10.83%
2009	.88%	7.02%



CY 2012 Turnover

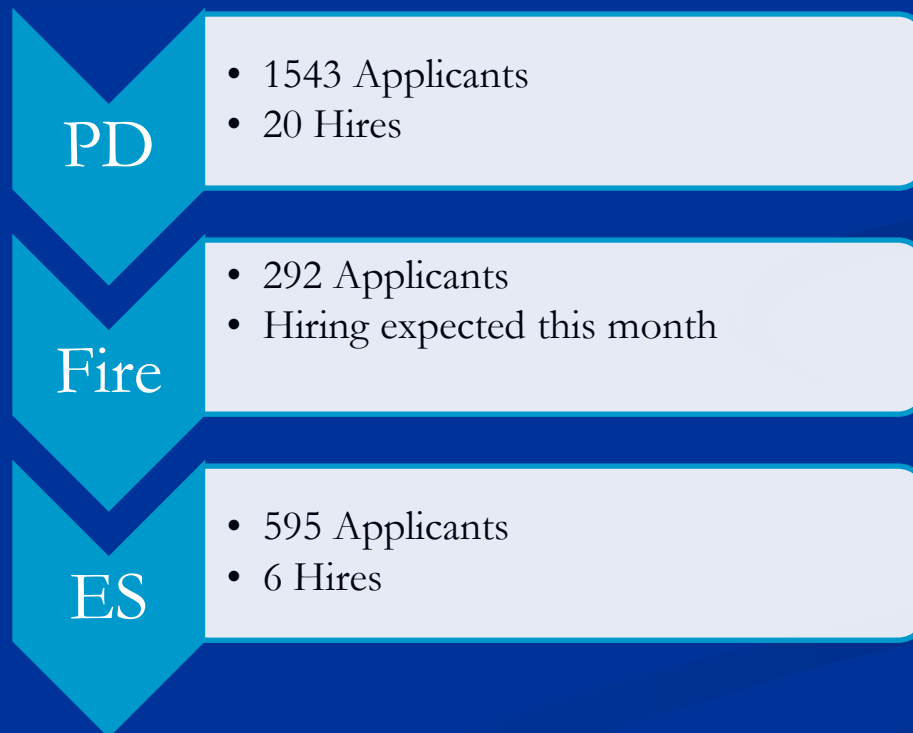
By Type of Termination





2012 Attraction

- 8199 City wide applicants and 127 Hires
- Public Safety positions continue to be most attractive





Market Comparison Trend

Market Data and Salaries as of December 2012

	Pay Range Min to Avg Mkt Min		Employee Avg Pay to Mkt Avg Pay	
2013	Public Safety	115.56%	Public Safety	108.01%
	General Workforce	93.14%	General Workforce	95.00%
2012	92.28%		93.96%	
2011	90.25%		91.52%	
2010	91.96%		93.48%	
2009	91.96%		92.86%	
2008	90.72%		92.18%	



Wide Variance Among Positions

Positions w/Lowest Ratio

Appraiser II	73%
Social Work Supervisor.....	78%
Youth Counselor	78%
Aide III	78%
Social Worker	79%
CPS Investigator	80%
Animal Control Officer	81%
Utility Line Tech	81%

Among positions with multiple incumbents

Positions w/Highest Ratio

System Analyst/Prog	105%
Plant Mechanic II	109%
Police Captain	110%
Master Firefighter	112%
Battalion Chief	115%
Fire Captain	121%
Plant Oper Supervisor	124%
Engineering Design Tech..	137%

Among positions with multiple incumbents



Salary Trend

Annual Salary as of January 2013

Year	Avg Salary	Median Salary
2013	Public Safety 47,509 General Workforce 39,686	Public Safety 42,831 General Workforce 35,053
2012	40,268	35,006
2011	40,555	35,568
2010	41,238	36,150
2009	41,516	36,196



Benefits

■ Medical/Rx Coverage

- Continue to provide single coverage at no cost to employees, if participating in HMP, and make family member coverage available
- City's costs remain comparable or less than market at \$398 per month for single and \$772 for family coverage
- Cost drivers include increasing specialty drug use, overall increase in cost of medical services and disproportionate cost of retiree medical claims

■ Other benefits including dental, 457 plan, FSA, are available

■ Paid time off is comparable to local government market

■ Defined benefit retirement benefit is fairly common in public sector, although under increasing scrutiny, and less available in private sector



On-Site Support Programs

- Occupational Health Program – work related conditions
 - Mature program for physicals, drug/alcohol screening and work related injury assessment and treatment
 - Over \$1 value for every dollar spent
 - Some shifting of services from occupational health to health management program



On-Site Support Programs

- Health Management Program (HMP) – non-work related conditions
 - Maturing program – 5th year of the program
 - Over \$2 value for every dollar spent on the program
 - Currently 1,065 participants
 - Lost our service provider mid-year due to business acquisition of LWHS
 - Working with Centra Medical Group to provide interim services



Changing Environment Creates Challenges & Opportunities

- VRS Changes
- PPACA Implementation
- Medical/Dental/Vision Programs
Consolidated with Schools
- On-going impact of previously established
policies



VRS

- FY2014 blended rate at 20.89% of pay – second year of biennium
 - 35.58% for Public Safety and 19.06% for the general workforce
- All covered employees pay 5% member contribution
- Lynchburg is 60% funded – among lowest in state
- Higher contribution rates projected for FY2015 and beyond – triple whammy of significant increases in public safety pay, proportion of public safety employees compared to non-public safety and exemption of public safety from all VRS “reform” programs



VRS Changes

- Hybrid Retirement Plan for employees hired on or after 1/1/14, except Public Safety
- Virginia Local Disability Program for those in the Hybrid Plan takes the place of VRS Disability Retirement
 - Requires irrevocable choice between VRS program and comparable locally provided program
- VRS “modernization” program transferring program administration and maintenance to localities



PPACA Implementation

- City medical plan loses grandfathered status as of 1/1/14
- Pay or Play Option: continue to offer coverage or pay \$2,000 per employee, after first 30, per year to Federal Government
- Assuming coverage continues, Preventive Care with no cost share and elimination of annual maximums represent a significant cost increase (total increase estimated @ \$240 – 360k)
- Reinsurance fees of \$65 per year per covered life (\$181,000)
- Required medical coverage for employees working an average of 30 hours or more a week
 - Only two options - reduce hours or provide same medical coverage as full-time employees: currently about 44 employees impacted at potential cost of \$211,000



Medical Benefit Consolidation

- Consolidated contracts for medical, dental and vision
- Pharmacy services consolidated next year
- Working to expand Health Management Program to include School employees
- Continued work needed for true consolidation of medical plan design, coverage tiers, eligibility and funding policies



Impact of Historical Policies & Practices

■ Paid Leave Policies

- Average use of accrued paid leave in 2011 equals the work hours of almost 150 full-time employees

■ One size fits all pay actions such as promotions, demotions, general wage increases

■ Fully Funded Employee Medical and Dental Coverage (if participating in HMP)

■ Fully Funded Retiree Medical Coverage (for employees/retirees hired as of 7/1/1996)



Outlook

- Recruitment and Retention challenges continue, especially in leadership positions due to retirements over next three years
- Workforce stress due to budget constraints, smaller workforce and flat pay outside of public safety
- Mandates at state and federal levels abound
 - Line of Duty costs and management
 - Multiple VRS plans
 - Health Care Reform
 - Workers' Compensation
 - Enhanced FML and ADA benefits



Overall Conclusions

- Relatively stable, high performing workforce despite challenging environmental changes
- Benefit package continues to provide solid recruitment and retention assistance in an environment of no pay growth for most employees
- Staying on the leading edge in several areas
 - Employee health management programs
 - Workforce learning, development and succession planning
 - Collaboration with Schools and other regional partners